



FISCAL MEMORANDUM

SB 2389 - HB 2774

March 8, 2022

SUMMARY OF BILL AS AMENDED (014923): Creates the “More Opportunities for Students in Tennessee (MOST) Act”. Establishes the MOST program within the Department of Education (DOE) to provide education grants for eligible students. Requires grant funds to be expended during the year in which they are awarded and for any unused funds at the end of the fiscal year to be transferred to DOE. The Act is repealed on June 30, 2024.

FISCAL IMPACT OF BILL AS AMENDED:

Increase State Expenditures – Exceeds \$55,572,800/FY22-23
Exceeds \$55,572,800/FY23-24

Assumptions for the bill as amended:

- The MOST program grant awards may be used for eligible education expenses, which include: tutoring services, assistive learning technology, textbooks, instructional materials, educational therapy services, and other education expenses approved by DOE.
- To be eligible to receive a MOST program grant award, an applicant must be:
 - A resident of Tennessee;
 - A student in any of the grades kindergarten through eight (K-8); and
 - Meet the household income requirements of 42 U.S.C. §§ 1751-1769 or by providing proof that the parent of an eligible student is eligible to enroll in the state's temporary assistance for needy families (TANF) program.
- Based on enrollment data from October 1, 2021 approximately 183,805 K-8 students are classified as economically disadvantaged in Tennessee.
- The maximum amount to which an eligible student is entitled under the grant program is \$3,000.
- It is assumed that at least 20 percent, or 36,761 (183,805 x 20%), of economically disadvantaged students will receive a MOST program grant award.
- It is estimated that the average grant award will be \$1,500 per student. The total amount of grant awards distributed will exceed \$55,141,500 in FY22-23 and FY23-24 (36,761 x \$1,500).
- DOE is authorized to deduct two percent from the total amount of grant funds appropriated to cover the costs of overseeing the funds and administering the program.
- DOE will require three additional positions (1 Education Consultant 3 position, 2 Education Consultant 2 positions) beginning in FY22-23.

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- There will be a recurring increase in state expenditures of \$275,342 $\{[(\$77,568 \text{ salary} + \$19,810 \text{ benefits}) \times 1 \text{ Education Consultant 3 position}] + [(\$70,368 \text{ salary} + \$18,614 \text{ benefits}) \times 2 \text{ Education Consultant 2 positions}]\}$ in FY22-23 and FY23-24.
- DOE will require two contractors for 1,950 hours per year at a rate of \$40 per hour. The total cost is estimated to be \$156,000 $(1,950 \times \$40 \times 2)$ in FY22-23 and FY23-24.
- These employees and contractors will be paid out of the two percent of administration costs removed from the total amount grant funds.
- The total increase in state expenditures is estimated to be \$55,572,842 in each FY22-23 and FY23-24 $(\$55,141,500 + \$275,342 + \$156,000)$.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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